William Street

the Insurance Center of the World

March, 1937

THOMAS J. GRAHAME

First Vice-President of the Globe Indemnity Company.

A Veteran of the Casualty & Surety Business and of "William Street".

All Risques Underwrote...

This is the way it was in the beginning!

The famous Tontine Coffee House, Corner of Wall & Water Sts., 1796 where the underwriting Marine Insurance in America began.

Marine insurance — In 1759, with privateersman declaring open season on all shipping, the enterprising Boniface of the Tontine Coffee House declared that he undertook to insure all bottoms putting out from the port of New York. His rates varied with every vessel and depended to a large extent on the patience of the contracting parties in haggling for a bargain. It was well worth it, however, for look what the insured got: an agreement "as binding as if made in Lombard Street" and a protection against

The Great Fire of the City of New York, December 16, 1835.

"perils of the sea and violence at the hands of man." A big order considering that outside the harbour, the Jolly Roger grinned in anticipation.

FIRE INSURANCE — In 1787, Alexander Hamilton found time between saving the nation from the radical policies of Jefferson to draw up a deed for a fire insurance company. The headquarters were at 57 King Street (now Pine Street). The company contracted to insure any building within two miles of Wall Street looking north. Brooklyn's only insurance was to be careful where they dropped their matches. To give an atmosphere of solidity to the enterprise the company's funds were kept in a great iron chest,

Drawing from an old insurance certificate.

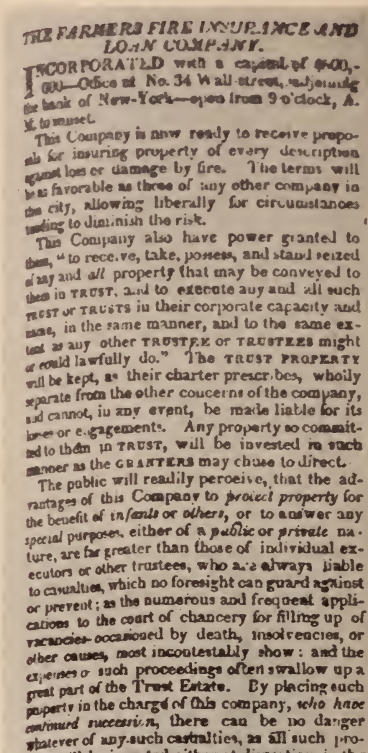
kept in view at all times. This chest later became the symbol of all insurance companies. Crackers and cheese were served to clerks during office hours. (We do not know the significance of this last item, but all accounts of the early companies mention it, so it probably had some symbolic meaning. WILLIAM STREET tells all).

By 1819 there were several insurance companies in the city and, of course, each was trying to put the next out of business. Going along on the assumption that, since there had not been a fire of consequence in the city for a generation, there would never be one, they were positively philanthropic in writing policies. A few saw disaster yawning ahead and attempted to organize some sort

The first published advertisement of the Farmers Fire Insurance and Loan Co.

of union of the various companies so that agreements could be reached with regard to rates and such prosaic details. The organization was known, with poetic vividness, as The Salamanders and was roundly condemned by the majority as a dangerous step toward collectivism and the destruction of individual initiative. The Salamanders gained little headway in the next sixteen years and most companies went on blithely writing policies with a prayer and a promise.

One night in the Fall of 1835, New York presented a stirring picture against the sable night by burning to the ground. WILLIAM STREET will sometime tell of that blaze and the carnival spirit with which it was greeted by some of the citizenry. The insurance companies, however, viewed the catastrophe with somewhat different emotions. The losses totalled $18,000,000. Had it been one-hundredth of that sum many of the companies would have been hard put to it to pay up. As it was the night was made hideous by the sound of companies blowing up. There were twenty-six in the city, and of these, twenty-three failed. The city then came to the aid of those who appeared to be able to pull something out of the mess and issued fire loan stock. In this way some of the companies were able to



THE FARMERS FIRE INSURANCE AND LOAN COMPANY.

INCORPORATED with a capital of $600,000—Office at No. 34 Wall-street, adjoining the bank of New-York—open from 9 o'clock, A. M. to sunset.

This Company is now ready to receive proposals for insuring property of every description against loss or damage by fire. The terms will be as favorable as those of any other company in the city, allowing liberally for circumstances tending to diminish the risk.

This Company also have power granted to them, "to receive, take, possess, and stand seized of any and *all* property that may be conveyed to them in TRUST, and to execute any and all such TRUST or TRUSTS in their corporate capacity and name, in the same manner, and to the same extent as any other TRUSTEE or TRUSTEES might or could lawfully do." The TRUST PROPERTY will be kept, as their charter prescribes, wholly separate from the other concerns of the company, and cannot, in any event, be made liable for its losses or engagements. Any property so committed to them in TRUST, will be invested in such manner as the GRANTERS may chose to direct.

The public will readily perceive, that the advantages of this Company to *protect property* for the benefit of *infants* or *others*, or to answer any *special* purposes, either of a *public* or *private* nature, are far greater than those of individual executors or other trustees, who are always liable to casualties, which no foresight can guard against or prevent; as the numerous and frequent applications to the court of chancery for filling up of vacancies occasioned by death, insolvencies, or other causes, most incontestably show: and the expenses of such proceedings often swallow up a great part of the Trust Estate. By placing such property in the charge of this company, *who have continued succession*, there can be no danger whatever of any such casualties, as all such property will be invested either at discretion in the most beneficial manner, for the sole advantage of the party conveying the same, or invested as the party may direct, within the strict provisions of any such trust.

The Company refer, for further information upon this subject, to their charter, a copy of which may be had by application at the office, where also the terms for any trust estate may be known.

RESIDENT DIRECTORS.

Richard Harison	James M'Bride
James Magee	A. H. Lawrence
George Griswold	Benjamin Bailey
Benjamin Marshall	Thomas Franklin
C. C. Cambreleng	John Johnston
James D'Wolf, Jun.	Thomas S. Townsend
Henry Wheaton	Francis Saltus
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NON-RESIDENT DIRECTORS.

Southern District—James Tallmadge, Poughkeepsie; Christian Schell, Rhinebeck.

Middle District—William James, Albany.

Eastern District—John L. Viele, Waterford.

Western District—George Andrus, Adams, Jefferson county; David White, Palmyra, Ontario county.

JOHN T. CHAMPLIN, President.

Archibald McIntyre, Secretary.

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Great Fire of 1835 — *scene in front of the Merchants Exchange.*

rise jitteringly to their feet, somewhat in the manner of an alcoholic on a very Blue Monday. As time wore on, however, the patient began to take nourishment, and two years later there were twenty-one companies operating in the city all busily engaged in cutting each other's throats. It took several singeings for these burned children to dread the fire, but the lesson was eventually learned, and now Fire Insurance policies might well be written on asbestos, so impervious are they to heat.

LIFE INSURANCE — Now while the people were willing enough to insure property against disaster, the idea of insuring life was looked upon as repugnant and in fact immoral. Various attempts had been made with the idea, but had met with the almost universal disapproval of all right thinking Christians. Such a contract was considered a gamble with the Almighty and Life Insurance was for a long time known as the "Devil's Lottery", somehow connected in the minds of many good people with the worship of

His Satanic Majesty. The first life policies written in New York were issued by Marine and Fire Companies.

In 1830, however, The New York Life Insurance and Trust Company was established. By this time, the prejudice against life policies had died down to a great extent; but the company itself seemed rather reluctant to engage in this form of insurance if we are to judge by the regulations which it made governing the policies. A life insurance policy was adjudged forfeit for any of the following reasons:

1. Non-payment of premium.
2. Death by insured's own hands.
3. Any untrue statement in application.
4. Death on the high seas.
5. Death in consequence of a duel.
6. Death at the hands of justice.
7. Death in the known violation of any law of the United States or of any state or province wherein residence or travel were permitted.
8. Residence or travel south of Virginia and Kentucky between July 1 and November 1, or at any time outside the United States or the British provinces of Nova Scotia, New Brunswick and Canada.
9. Military and naval service.

So we see that the insured was running rather a grave risk of voiding his policy whenever he stepped out of bed.

ADDENDA — The opening of the Erie Canal in 1822 was responsible for the establishment of another branch of Marine Insurance. In that year the first inland navigation policy was issued.

Also in 1822 Greenwich Village became the insurance center of New York. An outbreak of Yellow Fever prompted the move uptown. Later the companies, one by one, came down again, most of them settling in and around William Street. Even today one may find insurance companies on that pleasant lane.

CRIME AND PUNISHMENT

© 1904 Title Guarantee Trust Co. *The arrest of Collector Dyre, Mayor of New York, in 1681, at his residence, Broadway, corner Liberty St.*

THE governing body of New Netherlands must have reached the conclusion, about 1658, that the community had become an important city with all modern appurtenances, including a crime wave, for in that year, a police force was established. It consisted of twelve men for the winter months and six for the summer months. The thrifty Dutch saw no reason for policing the city in broad daylight, believing that any man who was robbed while he was awake deserved it, so the police force was on duty only at night. Their compensation of forty-eight cents a night would indeed seem like small change to a number of the present day police force of New York.

This first police force was known officially as the Rattle Watch and unofficially as the "Prowlers", the "Drunken Knaves", and a few other endearing epithets which we cannot give, as

The appointment of a Rattle-watch led, on October 12, 1651, to the adoption of the following rules:

1. Watchmen to be on duty before bell-ringing, under penalty of six stivers.

2. Whoever stays away without sending a substitute, to be fined two guilders for the benefit of the regular watch.

3. One guilder fine for drunkenness.

4. Ten stivers fine for sleeping on post.

5. If any arms are stolen through negligence of the watch, the watchman to pay for the arms and be fined one guilder for the first, two guilders for the second, and the fine for the third offence to be discretionary with the court.

6. A fine of two guilders for going away from the watch, and one guilder for missing turn.

7. The Watch to call the hour at all corners from 9 A. M. until reveille, for which they received an additional compensation of eighteen guilders per month.

Watchman's Rattle

WILLIAM STREET goes through the mails. They were armed with sword, musket and pistol and carried a rattle. There are two schools of thought as to why they carried the rattle. One holds that it was shaken every hour when the patrolman announced the time. The other holds that it was shaken occasionally to let the citizens know that these minions of righteousness had not crawled under a convenient hedge for a few hours of slumber.

The custom of calling the hour must have done much to endear the force to the populace. One can well imagine with what joy the honest burghers would awaken from their dreams of peace and profit to hear the watch's cheery announcement, "By the Grace of God, two o'clock in peace", or, if such were the case, "By the Grace of God, Two o'clock and a fine, wet drizzle falling, and I wish I were in bed". Sometimes these time announcements were varied with philosophic and religious advice such as "By the Grace of God", two o'clock and time for repentance, for the dawn may never come". It begins to draw on us why the early settlers always appear so sour-visaged in their portraits.

The original duties of these guardians of slumbering virtue, beside acting as the seventeenth century equivalent of MEridian 7-1212, consisted merely of guard work. They went at their task with that single-mindedness of purpose which characterizes genius and let no other interests deter them from their appointed orders. It happened one night during the first year of their ministry to the law that there was a fire in the log house at the Battery. The members of the Rattle Watch hurried to the scene and watched the blaze thoughtfully. Here, it was obvious, was a matter which might be of interest to the town. Some of the younger and more frivolous

members of the guard suggested informing the populace. But wiser heads prevailed. It was pointed out to these hotspurs that they had received no order to go about the town reporting fires. Accordingly the log house was let burn merrily and the New Amsterdamians awoke in the morning to find it a smouldering ruin. Everyone was, of course, fulsome in praise of the guard's remarkable devotion to the letter of their instructions. It is said that Peter Stuyvesant was so carried away by the almost military lack of cerebration of his men that he embraced each of them lovingly with the buckle end of his best sword belt. It was then suggested to the men that, praiseworthy as their night's conduct had been, they would, in the future, do well to rattle their rattles vigorously whenever they observed the processes of oxidation taking place too rapidly. They were glad to do, and for a long time thereafter no one in the colony could light his pipe after nightfall without grave danger of having his house invaded by a great concourse of men with buckets.

Withal, though, it seems that the force was efficient, for there is no record of the Dutch city having any recourse to the stocks, pillory whipping-post or cage which was erected on the wharf before the City Hall. This was a great vexation to the city fathers who hated to see anything wasted and there was a movement to make the laws more strict in order to make some use of the fearsome apparati of justice. It was not until the English came, bringing with them the modern enlightened state, that there was any crime worth writing about.

William Kieft's method of punishment kept this offender suspended there in accordance with the seriousness of the crime.

JOHN ERICSSON

Crew of Monitor on deck.

THE ninth day of this month is the seventy-fifth anniversary of perhaps the most important sea battle of modern times, for on that date, in the year 1862, the Monitor, the one hope left to the North for sea security, met the Confederate vessel Virginia in the first battle of ironclad ships. The better engineer won the day. The Virginia, merely the salvaged hull of the wooden Merrimac reinforced by iron plates, withdrew in a sinking condition after a three hour engagement with the impregnable Monitor. Had the issue been other than it was, northern shipping would have been bottled in its harbors, Confederate supply ships would have been able to run the blockade with impunity and the Stars and Bars would have floated supreme over the Atlantic seaboard, a situation which would almost certainly have meant the ultimate defeat of the Federal forces.

John Ericsson, builder of the Monitor, was a Swede and an engineer. In these two distinctions the man is encompassed. Though he helped save the Union in one of its darkest hours, he pledged no allegiance to any country save the one of his birth. Said he, "I know but one fatherland; I would rather my ashes repose under a heap of cinders there than under the stateliest monument in America."

The battle of the ironclads was probably of more interest to him as a test of his theories on sea armaments than as a life and death struggle for the preservation of the Republic undivided. Seven years later he was designing gunboats for Imperial Spain to put down a Cuban insurrection. Before coming to America he had worked in Britain, there building in 1829 the first steam fire engine. There also he perfected a regenerator for caloric engines and a surface condenser for steamships. It is well for America that the British Admiralty did not treat his theories with great respect and forced him to America for a hearing; otherwise his time during the Civil War days might have been spent perfecting iron clad blockade runners for England.

But it is on such chances as this that the course of history is determined. Ericsson came to America, the Virginia was defeated, and the Federal Government demonstrated the geometric theorem that the whole is greater than any of its parts.

Ericsson died here in 1889 in his home on Beach Street. His death occurred on March 8, almost the anniversary of his great victory. He was buried from Trinity Church and laid to rest in Marble Cemetery on Second Street. In the same year his body was removed from this alien soil and taken back to his beloved Sweden.

A strange man whose one guiding principle in life was belief in himself. Perhaps his philosophy is best summed up in the reason he gave as a young man for not attending a technological institute—"Had I taken a course at such an institute, I should have developed a belief in authorities". . . He never had such a belief, and that may be one reason why the scorned "Yankee cheese-box" was able to save the Northern fleet, and with it, perhaps, the Federal Union.

John Ericsson on his arrival in America — 1839.

ON THE STREET

CHARLES F. NOYES

CHARLES F. NOYES, head of Charles F. Noyes Company, has been for the past thirty-nine years a most important factor in all the great movements in real estate in New York City. He has had a particularly active part in the development of William Street district, and in this article we will tell something about his activities in that district. In 1898 when Mr. Noyes became identified with the real estate field the insurance district was between Wall Street and Maiden Lane, centering on William Street. It was apparent to him that the insurance district required more room and that the trend of the business would be northward. He grasped the opportunity, centered his activities in the district between Maiden Lane and John Street and immediately made many clients in the insurance field. His courage and forethought were admired and many of the important interests in the insurance business today do business with him and with his organization.

Many stories are told of Mr. Noyes' activities. In some blocks in the neighborhood every piece of property has passed through his hands and in many cases prop-

erties have been sold and resold by fortunate Noyes clients and each time at a substantial profit. Many of the large insurance companies and agencies and brokers have for years relied on his judgment and that of his ever increasing organization. Mr. Noyes personally has planned, obtained the location or financed the erection of many of the larger and more important buildings in this new insurance district. In one capacity or another — either as broker in the sale of the ground, or possibly as a former owner of the ground, or possibly in connection with the financing of the building or in cooperation with others.

Mr. Noyes has one characteristic which many believe is the underlying reason for his success in real estate, and that is that he thoroughly believes in real estate as an investment. For many years he has invested his own money in real estate as an investment and those who know him well, know that he does not buy with a view to speculation or with any gambling instinct but rather for investment of his own funds. He owns nearly a hundred buildings in his own right, all of them in excellent locations, including property at 26 Cliff Street a 4-story building, and the New York Casualty Company, the tenant, find it one of the most interesting offices that they have ever occupied. This building is designed after a Salem (Mass.) 1602 colonial home but with refinements so that it would be adapted for exclusive occupancy. He thought it was fitting to erect this colonial building here because it is on sacred ground — where the battle of Golden Hill was fought.

At Cliff, Fulton and Pearl Streets, Mr. Noyes has just completed a 3-story fireproof building. It is dignified in construction, of limestone over granite and with a much discussed solarium and penthouse. It is probably the first office building to offer a tenant a penthouse and kitchen facilities with shower bath, etc. where executives of an organization may lunch and have a special directors' room away from the activities of their main office. The building is flooded with sunlight and there is no comparable building probably downtown. When asked once why or how he thought of these unusual creations, buildings different from any before developed, Mr. Noyes referred to the fact that a business man spends more than 50% of his wakeful time in his office and said "Better buildings as regards ventilation, sunshine, light and facilities mean greater accomplishment not only on the part of executives but for any organization, and the happier the organization, the more successful." The Cliff, Fulton and Pearl Street building, for instance, will have a duplicate on the roof extension over Pearl Street of the garden in the rear of Mr. Noyes' 55th Street home, with fountain, shrubbery, etc. and this garden will lead to the penthouse where executives of the leasing company will lunch or dine.

While Mr. Noyes has been imaginative in his work yet he is regarded by banking and real estate interests as one of the most conservative men in the real estate field. His buildings on Cliff Street, for instance, are and have been free of mortgage indebtedness and eleven of his recent purchases on Broadway are held without mortgage, as is the case with most of his property.

Charles F. Noyes is one of those dynamic individuals whose accomplishments are due primarily to an inner force which impels him always onward and upward. Though he came from a well-to-do home and had no need, as a boy, to earn his own money, yet at the age of ten he went to work as a newsboy in his home town at Norwich, Conn., rising at three or four o'clock in the morning. When asked why he went to work at this early age, he said: "I went to work for the same reason I am working now — I love to work."

The Charles F. Noyes Company, which has continued under Mr. Noyes' active management from its establishment, has long occupied an important place among the front rank companies in the real estate business. He opened his first small office at 61 Beekman Street, later moving to 62 Cedar Street (with but three employees), then to 92 William Street, then to 118 William Street and finally to his present offices at 225 Broadway. The present scope of his business takes in the manage-

ment of about 600 buildings, housing between 5500 and 6000 tenants. There are nearly 2500 employees in his organization, about 200 of whom are in the executive offices.

While Mr. Noyes has been most active in the real estate field and has paid particular attention to the development of the William Street district, he has not overlooked the business of insurance. Findlay-Noyes Company, Inc., an insurance firm of which Duncan M. Findlay is the president, is affiliated with the real estate company and has a large insurance business. Established less than two years ago, it already enjoys a splendid reputation in the insurance circles of the city.

We asked about Mr. Noyes' hobbies. He plays golf indifferently, is unusually fond of fishing, takes frequent trips abroad, but we hazard the opinion that his main recreation is his business and dealing in real estate largely for others. There certainly is no man whose judgment is sought more than his in all real estate matters. In temperament he is an optimist although as stated before, he is considered one of the most conservative men in real estate. He has been a director of many important corporations and financial institutions but probably there is none that he treasures more highly than his directorship of the Norwich (Conn.) Bulletin, the paper on which he held his first job. Incidentally, for many years he was a trustee and director of the Brooklyn Daily Eagle. He is a member of the Real Estate Board of New York, the Brooklyn Real Estate Board, the New York and Brooklyn Chambers of Commerce. He has been a director of many civic organizations and is now a director of the Broadway Association. He is a director of the Commercial National Bank and Trust Company, the Lawyers Trust Company, the Textile Branch of the Chemical Bank and Trust Company and holds other directorships in a dozen companies, most of which represent heavy real estate interests. A distinct honor was conferred on him when recently he was elected Chairman of the Realty Advisory Committee of the New York World's Fair.

Mr. Noyes has a country home at Huntington, L. I. and belongs to the Huntington Country Club and the Crescent Athletic Club. In New York he is a member of the Union League Club and the Lotos Club and when he resided in Brooklyn was a member of the Riding and Driving Club. He is a former director of the Drug and Chemical Club.

Charles F. Noyes in his first Real Estate Office at 61 Beekman Street. New York. (1898)

William Street and the insurance district owe much to Charles F. Noyes and we take this means of paying tribute to him. We feel that the best summation we can give in this sketch of Mr. Noyes is an extract from the company's ideal, as first put foward in 1920, adding only that the organization has thoroughly succeeded in keeping faith with its own standards:

". . . . . In every part of the business we have built an expert organization whose big ideal is to render expert service in every phase of real estate handling.

"This organization welcomes the increasing responsibility of a continually growing business. We are proud of our facilities for the rendering of unusual service in the renting, buying, selling and mortgaging of New York City real estate.

"Particularly do we solicit the management of properties, with the firm conviction that we can increase income and diminish expense, thus producing a larger net return for the owner. No owner with limited facilities can hope to accomplish the economical and efficient operation and maintenance that our expert service achieves."

W. E. MALLALIEU

For more than a quarter of a century W. E. Mallalieu has been serving as General Manager of the National Board of Fire Underwriters, with credit to himself and complete satisfaction to the company membership.

Following graduation from the Stevens Institute of Technology with the degree of M.E., Mr. Mallalieu was associated for two years successively with the H. R. Worthington Pump Co., and the Western Electric Co., gaining thereby technical knowledge that proved of the highest value in what was to be his life work. It was in 1900 that armed with letters from the late George L. Chase, president of the Hartford Fire, Alexander Stoddart, founder of the New York Underwriters Agency and Henry Morton, President of Stevens Institute, Mr. Mallalieu secured a connection with the National Board as an electrical inspector. Ten years later, upon the retirement of H. K. Miller, his former chief, Mr. Mallalieu was advanced to the general managership of the Board, the executive committee of which recognized his administrative as well as his technical ability.

In the years that have now passed since that happening the National Board has grown from what was then termed "a highly respectable body" to an organization of the utmost benefit, not merely to the approximately two hundred stock companies embraced within its membership, but to the property owners of the country at large. In this development Mr. Mallalieu, carrying out the policies broadly outlined by successive executive and other committees, has borne a large part, and to him was delegated in considerable degree the creation of each of the six major divisions of the organization and so to coordinate their activities as to attain maximum efficiency for the work as a whole. How well this has been achieved managing underwriters are fully aware.

He had contact with and knew well many of the "giants of the fire insurance business" and served under the presidency of J. Montgomery Hare, A. W. Damon, George W. Babb, Wm. N. Kremer, E. G. Richards, R. M. Bissell, F. C. Buswell, Charles L. Case, John B. Morton, H. A. Smith, Wilfred Kurth, George G. Bulkley, James Wyper, C. W. Bailey, William H. Koop and F. W. Koeckert.

While keeping constantly informed as to the operations of each of the major

W. E. Mallalieu

departments at headquarters as well as the work of the branch offices at Chicago and San Francisco, Mr. Mallalieu is expected to and does maintain contacts with state insurance commissioners, fire marshals, municipal fire chiefs and other public officials, as well as important business associations having direct or indirect affiliation with fire insurance interests. In brief, he must be a walking encyclopedia of insurance information, and possess the infinite tact of a European statesman.

In addition to his National Board association he served in times past as president of the National Fire Protection Association, and as Most Loyal Grand Gander of the Order of the Blue Goose. Mr. Mallalieu is active in Masonic circles in Jersey City. He is a member of Theta XI Fraternity, the Yountakah Country Club, the Carteret Club in Jersey City and the Drug and Chemical Club.

He has two sons, Wilbur E. Mallalieu, Jr., with the Royal-Liverpool Group in Kansas City, and John T. Mallalieu, with the Fidelity and Casualty Company in New York.

He has been called upon from time to time to address important gatherings of manufacturers and merchants, never losing an opportunity to stress the benefits afforded by sound stock company fire insurance. The post he occupies is one of the most important in the underwriting world. It calls for mental alertness every moment of every day. On one occasion — his 35th anniversary with the National Board — a former president of the Board spoke of him as "a friend who, no matter what kind of problem arose, proved to be a very tower of strength, who could evolve from his marvelous memory and long experience exactly the right solution."

Just as the educational, engineering and statistical work of the National Board is known far and wide, so is its general manager known from coast to coast for his administrative ability, his diplomacy and his tact. W. E. Mallalieu and the National Board are well known from Boston to San Francisco as well as in the heart of the world's greatest insurance center, which is — William Street.

WILLIAM STREET

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ON THE COVER

The sketch on the cover of this issue shows the Rhinelander Sugar House in 1763, located on the corner of Rose, Duane and William Streets. This Building was used as a prison by the British during the Revolution.

The photograph above was taken just before it was obliterated somewhere around 1880.

AVERY LIBRARY